

Budget Activity 7:

PROGRAM ADMINISTRATION: NATIONAL AND COMMUNITY SERVICE ACT

SUMMARY OF BUDGET ESTIMATES				
	FY 1999 Actual	FY 2000 Estimate	FY 2001 Request	Increase/ Decrease
		(dollars in thousands)		
Program Administration	\$17,209	\$19,826	\$21,200	+\$1,374
State Commission program administration	<u>10,988</u>	<u>12,788</u>	<u>14,400</u>	<u>+1,612</u>
Total Obligations	28,197	32,614	35,600	+2,986
Carryover from prior year	-4,560	-4,719	---	+4,719
Carryover to next year	<u>+4,719</u>	---	---	---
Current year budget authority	\$28,356	\$27,895	\$35,600	\$7,705

Background Information on Program Administration

The Program Administration activity funds support for and oversight of programs and projects authorized under the National and Community Service Act of 1990. The Corporation's goal in Program Administration is to carry out its statutory responsibilities and make those changes necessary in organizational systems to enable the Corporation to more effectively and efficiently accomplish its mission.

The Program Administration activity also funds support for Governor-appointed State Commissions on national and community service. The amounts provided to the State Commissions represents 40 percent of the funds provided for program administration. The Corporation provides two-thirds of the AmeriCorps Grant funds to the State Commissions. The State Commissions, in turn, grant those funds to community based organizations, who host AmeriCorps members. State Commissions operate a competitive selection process, assist selected programs, and monitor their operations. Program quality and financial and program oversight are largely in the hands of these commissions.

The Corporation's total support for program administration comes from the appropriations of two acts: the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriation Act and the Departments of Labor, Health and Human Services, and Education and Related Agencies Appropriations Act.

The Congress provided increased Program Administration funding in fiscal 1999 to address urgent Program Administration requirements related to financial management, grants management and systems implementation. In addition to these urgent requirements, the workload of the Corporation has grown

enormously since its beginning. The annual number of AmeriCorps members has increased from 25,000 in fiscal 1995 to 50,000 in fiscal 2000. The cumulative number of enrollments in the National Service Trust has grown to over 170,000 and will reach more than 200,000 with funds appropriated through fiscal 2000.

The Corporation is devoting highest priority to improving its financial management. In fiscal 1999, the Corporation issued a comprehensive Action Plan that describes how the Corporation will implement its most critical management improvements. This Action Plan establishes nine key goals and associated objectives and tasks. These goals include management control, fiscal operations, grants management, financial management system implementation, financial reporting, Year 2000 compliance, information technology improvements, improved management of the National Service Trust, and procurement management. In fiscal 1999, the Action Plan was shared with congressional committees and progress against the Action Plan was reported to the Congress every 60 days. Achievement of these major goals will occur in fiscal 1999, fiscal 2000, and fiscal 2001, with the funds requested in this budget.

Program Administration Accomplishments in Fiscal 1999

- (a) Action Plan. The Corporation has made significant progress in implementing its fiscal 1999 Action Plan. Work toward completing the goals and objectives of the action plan will continue in fiscal 2000. As of January 24, 2000, the Corporation had achieved 246 of 330 planned tasks. The Action Plan is dynamic and will continue to guide the Corporation's management agenda in 2000 and 2001.
- (b) Year 2000 Compliance. The Corporation smoothly transitioned to the year 2000. The Y2K Contingent Emergency Fund transferred \$800,000 to the Corporation to aid in this effort, which includes costs for systems verification and year 2000-related hardware and software upgrades. The Corporation's Year 2000 procurement module will be selected using these funds. Otherwise, the Corporation has completed its year 2000 verification.
- (c) New Financial Management System (Momentum). The most significant and complex task of the year 2000 effort has been the implementation of a new core financial management system. The Corporation has installed American Management Service's financial management system, "Momentum," through an interagency agreement with the Department of the Interior. Momentum is a commercial off-the-shelf accounting package that is compliant with the Federal government's financial management system standards and is year 2000 compliant. The Corporation has dedicated an immense amount of time and energy throughout the fiscal year to configure the system to Corporation standards and to transfer accounting data from the old system to Momentum. This new core financial management system is now operational.
- (d) National Service Trust. The Corporation has installed new technology in the National Service Trust operation, bringing on-line an imaging system that greatly improves data reliability, addresses past audit issues, and reduces labor needed for the rapidly increasing workload associated with our expanding programs.

Program Administration Initiatives for Fiscal 2000

- ❖ **Action Plan.** In fiscal 2000, the Corporation will continue to implement the tasks identified in the Action Plan and to expand its reliance on technology to permit more efficient and effective oversight of its program activities.
- ❖ **Financial Statements.** In fiscal 2000, the Corporation will continue important steps that began in Fiscal 1999 to re-engineer its business practices and establish needed controls to improve its fiscal stewardship responsibilities. The Corporation has laid out an aggressive plan to correct its financial

and program management weaknesses. Much has already been accomplished in fiscal 1999, but correcting longstanding weaknesses will continue in fiscal 2000. The Corporation's plan addresses the eight material weaknesses identified in the fiscal 1998 financial statement audit, and other weaknesses, including procurement and system requirements. In order to manage increased workload and program resources with limited Program Administration funds, the Corporation is analyzing its business practices and re-engineering its work processes to streamline operations and make better use of information technology. To strengthen financial and program management practices, the Corporation needs to add capacity to the financial management and grants offices.

- ❖ **Financial Systems.** The financial management system will be expanded to AmeriCorps*NCCC desktops. The Corporation will continue to improve the quality of financial reporting, program monitoring and control, and efficiency in administrative functions. Critical financial management subsystems, such as the procurement system, will be implemented in fiscal 2000. Several improvements to the VISTA management system will be started, and improvements to the National Service Trust database will be continued, including the imaging system for Trust records, and the web-based reporting system.
- ❖ **Grant System.** In fiscal 1999, the Corporation started the planning phase for a new, integrated Grants Management system that would include both DVSA and NCSA grants. The new system will be comprised of separate modules, with the more critical modules being analyzed and developed during fiscal 2000, using in part fiscal 1999 funds. Overall, the Grant Management system is envisioned to be a comprehensive information database, supporting all phases of the grant management process. These include: application solicitation, receipt and evaluation; award negotiation and congressional notification; grant administration and monitoring; and finally, grant closeout. The system will support day-to-day operational responsibilities of Corporation staff and serve as a repository of program information for reporting purposes.
- ❖ **National Service Trust.** The National Service Trust has been strengthened significantly, but more needs to be done. The workload of the National Service Trust continues to grow as the cumulative number of AmeriCorps members grows. Providing quality customer service to the growing number of people who have earned education awards remains a Corporation priority. Controls in processing of member information still need to be improved. The electronic imaging system and the web based reporting system, developed in fiscal 1999, still need to be enhanced and strengthened.

Program Administration Initiatives for Fiscal 2001

- ❖ **Staffing and Compensation.** The Corporation has requested significant increases in its program funding for AmeriCorps Grants, Learn and Serve America, and Innovation activities in this 2001 submission. While these programs have received increased funding in past years, the Corporation's limited Program Administration funding levels curtails its ability to provide needed support and oversight. The current request level of \$12,967,000 will enable the Corporation to staff crucial program positions without sacrificing Program Administration funds provided by or requested of the Congress to improve financial management, systems, and other administrative operations.

Request: \$12,967,000

- ❖ **Operating Expenses.** All items other than salaries and related costs that enable the Corporation to manage and monitor its programs and grants are paid for with operating expenses. Major items funded include building rent, contractual services, computers, systems development, and program monitoring travel. In order to manage increased workload and program resources with limited Program Administration funds, the Corporation is analyzing its business practices and re-engineering its work processes to streamline operations and make better use of information technology. Even if the Congress provides the additional funding requested for fiscal 2001, the Corporation will still have

to make difficult cuts to both its baseline fiscal 2000 and 2001 operating costs in order to implement more critical initiatives with limited overall resources.

Request: \$3,996,000

- ❖ **Systems Development and Management.** The Corporation's fiscal 2000 appropriation will provide funding for systems development projects that complete the implementation of the core, Year 2000 compliant financial management system and the Grants system. Whereas the fiscal 2000 funds will allow the Corporation to install Momentum software upgrades, there are numerous subsystems that will need to be developed or upgraded in order for the agency's programs to work efficiently and to be fully integrated. Expansion of the core Grants system, for which funding was requested for fiscal 2000, will include cross servicing with a single grants payment system, developing a program database, an electronic application system and a central rolodex for Corporation grantees.

The Corporation's core financial management system will need to be supplemented by several other subsystems over the next few years. These systems include an accounts receivable subsystem and interface, a travel management system, a Bank of America interface, an inter-agency electronic transfer interface, and an archive retrieval system to facilitate efficient accessing of the old financial management system's records. Additional enhancements will be needed to manage cost share operations, expand the Trust Fund investment and "FEDWIRE" payment subsystems, and a fixed asset subsystem. Implementing these subsystems and integrated databases not only will enhance general programming and management operations at the Corporation but also will create a consolidated repository of information from which the Corporation can draw data for its many exterior reporting requirements.

The Corporation is currently able to provide only one staff person for web-site management. The increased demand for information on Corporation programs and opportunities requires that additional resources be dedicated to web-site support. The Corporation plans 1) to make information on service opportunities available through the web; 2) to make application forms and other documents available to individuals and grantees through the web; and 3) to provide a repository of Corporation policies and procedures for grantees. Developing and maintaining this site will require additional staff and contractor support.

The Corporation is requesting partial funding for these systems development projects within each of the two NCSA and DVSA submissions. Funding levels the Congress ultimately provides between the two appropriations will determine which of these critical systems projects the Corporation will be able to implement over the next few years.

Request: \$2,100,000

- ❖ **Program Oversight, Monitoring, and Management Staffing.** The Corporation's focus on financial management, systems, and administrative operations has significantly limited Program Administration resources available to support program monitoring activities. Additional resources are needed to hire additional AmeriCorps program officers and to support their efforts to better manage and monitor national program activities. Due to the increasing growth of the AmeriCorps program, the Trust also needs additional staff members for customer service, data quality, and payment processing. In addition, funds are needed to hire temporary Grants staff to establish a special grants closeout team for a one to two year period. Administrative support staff members are also needed for information technology and management offices.

Request: \$2,137,000

- ❖ **Continued State Commission Funding at Current Level.** In fiscal 2000, the Corporation program administration funding for State Commissions is \$10,795,000. This provided a base level of funding for commission activities. Commissions were required to provide a 50 percent match of this money. This level of support, both Federal and State, should continue.

Request: \$10,795,000

- ❖ **Increase Funding for State Commissions without a Required State Match.** The Corporation has been working to devolve major areas of responsibility for AmeriCorps program oversight to the State Commissions. The administrative and programmatic burden on states has increased in the past two years and this trend is expected to continue. States are required to provide a match of the Federal contribution (now 50 percent). Some State Commissions have had difficulties meeting the required state match in funding. Some states have had to meet the match with in-kind contributions that have left the state short of important oversight staff. The difficulties some State Commissions experience in matching the Federal contribution are reflected in inconsistent and often insufficient oversight they provide to the service programs in their respective states. These oversight problems are occurring at a time when the AmeriCorps grants program is growing significantly to permit the Corporation to reach the goal of funding 100,000 AmeriCorps members through the fiscal 2004 appropriation.

We are proposing that there be no match for any Federal funds provided over the fiscal 2000 amount. That is, each state must continue to provide their fiscal 2000 level of support to the commissions. We propose, however, that the Federal dollars be increased to a total of \$14,400,000 in fiscal 2001, of which \$3,605,000 would be made available without the 50 percent match requirement. The AmeriCorps grants program is expanding to reach the goal of funding 100,000 AmeriCorps members through the fiscal 2004 Budget. It is important to have the administrative systems in place to manage that goal properly. States must be provided with enough resources to perform adequately the oversight and other statutory duties we have placed upon them. We have included in the request language needed to provide these State Commissions with additional funds.

Request: \$3,605,000

Total Request: \$35,600,000

Summary of Changes: Increases over Fiscal 2000 Levels

Baseline salary increases	\$292,000
Baseline operating costs	-429,000
Systems Development and Management	2,100,000
Program Oversight, Monitoring, and Management Staffing	2,137,000
State Commission Grants	3,605,000
Total	\$7,705,000

PERFORMANCE INDICATORS			
	Performance		
	Actual	Goals	
Performance Indicators for Program Administration	FY 1999	FY 2000	FY 2001
Audit opinion for fiscal year financial statements.	Unqualified balance sheet; disclaimer on others	Obtain an unqualified opinion	Obtain an unqualified opinion
Reduction in the number of material weaknesses identified in the financial statement audit (Baseline drawn from financial statement reports: eight material weaknesses reported)	Not applicable	Reduced by four	Reduce to zero
Operating status of a single, grants management program that provides stewardship over federal funds in a cost-effective manner.	Started planning phase	System Analysis and Project Development initiated by 9/00	Core Modules Operational; Additional Modules in development
Operating status of a new financial management system ("Momentum").	Online 09/13/99	Access expanded to AmeriCorps* NCCC	Subsystem Implemented
Develop accounting subsystem in Momentum for procurement.	Not applicable	Start Procurement	Complete Procurement
Number of State Commissions reviewed for compliance with the national State Commission administrative standards. ¹	6	12	16
Y2K status of mission-critical systems.	Not applicable	Systems Y2K Compliant	n.a.

¹ The review schedule is based the calendar year. Six reviews were completed in calendar 1999. Twelve and sixteen will be done in calendar 2000 and 2001 respectively.

Budget Activity 3:

PROGRAM ADMINISTRATION: DOMESTIC VOLUNTEER SERVICE ACT

BUDGET AUTHORITY				
	FY 1999 Actual	FY 2000 Estimate	FY 2001 Request	Increase/ Decrease
(dollars in thousands)				
Full-time equivalent employment (work years)	286	311	321	10
Budget Authority	\$29,129	\$31,129	\$34,100	+\$2,971
Personnel Compensation and benefits	20,236	21,841	23,064	+1,223
Other Expenses	8,893	9,288	11,036	+1,748
Lapsed	---	---	---	---
Current year budget authority	\$29,129	\$31,129	\$34,100	+\$2,971

Background Information on Program Administration

Program Administration is authorized under Title IV of the Domestic Volunteer Service Act of 1973, as amended. DVSA Program Administration funds are provided for the operation and support of the Domestic Volunteer Service Act activities of the Corporation. This, coupled with the funds provided in the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, provides for the operation of the Corporation.

Although Program Administration funding for the DVSA programs increased in fiscal 1999 by \$1 million and in fiscal 2000 by \$2 million, it followed what had been a \$3 million decline between 1994 and 1998. During the period fiscal 1994 through fiscal 1998, the AmeriCorps*VISTA program budget grew by 50 percent, the Senior Corps budget grew by 25 percent, and the Program Administration budget declined in actual dollars by 10 percent. When inflation is taken into account, the Program Administration budget declined by 20 percent in real terms. Further, growth in the DVSA programs, e.g. VISTA, significantly increases the Corporation's workload since the Corporation directly manages the VISTA program through its field offices. During the same period that the administration budget was being reduced in real terms by 20 percent, the number of volunteer service years produced under AmeriCorps*VISTA, including those funded by non-federal sources, grew by 46 percent. Thus, the Corporation is managing a much greater workload with increasingly limited Program Administration resources. Only in the current and this past year has the Corporation been able to invest in crucial management improvements.

In addition to its general program growth, the Corporation has experienced an increase in cost sharing for both VISTA and Senior Corps. While we are delighted with the level of outside investment being made

in Corporation programs, these cost-sharing arrangements have also increased our administrative responsibilities, both in developing agreements and in administering and monitoring them.

The Congress did provide \$2 million in additional funding, appropriated in fiscal 2000, which will enable the Corporation to address a number of its more critical systems development initiatives and staff needs. This increase provides some relief to the stresses on Program Administration resources.

The Corporation is devoting highest priority to improving its financial management. In fiscal 1999, the Corporation issued a comprehensive Action Plan that describes how the Corporation will implement its most critical management improvements. This Action Plan establishes nine key goals and associated objectives and tasks. These goals include management control, fiscal operations, grants management, financial management system implementation, financial reporting, Year 2000 compliance, information technology improvements, improved management of the National Service Trust, and procurement management. In fiscal 1999, the *Action Plan* was shared with congressional committees and progress against the *Action Plan* was reported to the Congress every 60 days. Achievement of these major goals will occur in fiscal 2000 and fiscal 2001, with the funds requested in this budget.

Program Administration Accomplishments in Fiscal 1999

- (a) Action Plan. The Corporation has made significant progress in implementing its fiscal 1999 Action Plan. Work toward completing the goals and objectives of the action plan will continue in fiscal 2000. As of January 24, 2000, the Corporation had achieved 246 of 330 planned tasks. The Action Plan is dynamic and will continue to guide the Corporation's management agenda in 2000 and 2001.
- (b) Year 2000 Compliance. The Corporation smoothly transitioned to the year 2000. The Y2K Contingent Emergency Fund transferred \$800,000 to the Corporation to aid in this effort, which includes costs for systems verification and year 2000-related hardware and software upgrades. The Corporation's Year 2000 procurement module will be selected using these funds. Otherwise, the Corporation has completed its year 2000 verification.
- (c) New Financial Management System (Momentum). The most significant and complex task of the year 2000 effort has been the implementation of a new core financial management system. The Corporation has installed American Management Service's financial management system, "Momentum," through an interagency agreement with the Department of the Interior. Momentum is a commercial off-the-shelf accounting package that is compliant with the Federal government's financial management system standards and is year 2000 compliant. The Corporation has dedicated an immense amount of time and energy throughout the fiscal year to configure the system to Corporation standards and to transfer accounting data from the old system to Momentum. This new core financial management system is now operational.
- (d) Connectivity. Initial steps have been made to improve connectivity among the Corporation's field offices. In particular, as the Corporation completes the transition to the new core financial management system, ensuring that state offices can interact within the agency's network becomes a high priority. Testing of relay systems has proven that they are an effective means of assuring this needed connectivity. Additional funds provided in fiscal 2000 will enable the Corporation to pursue this initiative more extensively. Further, Internet access was provided to Corporation staff in 1999.
- (e) Interim Grants System. While the Corporation focuses on implementing the new financial management system, it has drawn on internal contractor support to develop an interim grants system for Senior Corps programs. With funding provided in fiscal 2000, as well as fiscal 1999 funds appropriated for this purpose under the National and Community Services Act, the Corporation will

begin, in fiscal 2000, the analysis and development of a fully integrated management information system for grants monitoring, oversight and accounting. By fiscal 2001, a fully integrated grants system will replace the Corporation's interim grants system.

- (f) National Service Trust. The Corporation has installed new technology in the National Service Trust operation, bringing on-line an imaging system that greatly improves data reliability, addresses past audit issues, and reduces labor needed for the rapidly increasing workload associated with our expanding programs. The Trust supports members of the AmeriCorps*VISTA program.

Administration Initiatives for Fiscal 2000

- ❖ **Action Plan.** In fiscal 2000, the Corporation will continue to implement the tasks identified in the Action Plan and to expand its reliance on technology to permit more efficient and effective oversight of its program activities.
- ❖ **Financial Statements.** In fiscal 2000, the Corporation will continue important steps that began in Fiscal 1999 to re-engineer its business practices and establish needed controls to improve its fiscal stewardship responsibilities. The Corporation has laid out an aggressive plan to correct its financial and program management weaknesses. Much has already been accomplished in fiscal 1999, but correcting longstanding weaknesses will continue in fiscal 2000. The Corporation's plan addresses the eight material weaknesses identified in the fiscal 1998 financial statement audit, and other weaknesses, including procurement and systems requirements. In order to manage increased workload and program resources with limited Program Administration funds, the Corporation is analyzing its business practices and re-engineering its work processes to streamline operations and make better use of information technology. To strengthen financial and program management practices, the Corporation will continue to add needed staff to the financial management and grants offices.
- ❖ **Financial and Other Program Systems.** With funding provided in fiscal 2000, implementation of the financial management system will be expanded to more Corporation staff desktops. The Corporation will use the output to improve the quality of financial reporting, program monitoring and control, and efficiency in administrative functions. As the only increase to the Corporation's overall Program Administration resources came in the Domestic Volunteer Service Act appropriation, some critical financial management subsystems, such as travel management, may not be selected and implemented until fiscal 2001. Improvements to the VISTA management system, however, will be started and improvements to the National Service Trust database will be continued, including the imaging system for Trust records, and the web-based reporting system.
- ❖ **Grant System.** In fiscal 1999, the Corporation started the planning phase for a new, integrated Grants Management system that would include both DVSA and NCSA grants. The new system will be comprised of separate modules, with the more critical modules being analyzed and developed during fiscal 2000. Overall, the Grant Management system is envisioned to be a comprehensive information database, supporting all phases of the grant management process. These include: application solicitation, receipt and evaluation; award negotiation and congressional notification; grant administration and monitoring; and finally, grant closeout. The system will support day-to-day operational responsibilities of corporation staff, and serve as a repository of program information for reporting purposes.
- ❖ **Computer Support for State Offices.** Currently, the Corporation's state offices connect to headquarters computers by periodically dialing in using the type of modems used in most home computers. While this type of connectivity is fine for retrieving and sending email, it is not adequate

for using modern databases and exchanging significant amounts of information with headquarters. Staff at these remote locations use the Volunteer Management System (VMS) database to manage the AmeriCorps*VISTA program and Senior Corps grants through these painfully slow connections. As mentioned above, in the fiscal 1999 accomplishments section, the Corporation needs to follow up on the testing of equipment upgrades, conducted in 1999, that will ensure full-time access to the Corporation's networks, including full-time access to VMS. Funding provided in the fiscal 2000 appropriation will support some one-time equipment costs for more state offices, as well as yearly operating costs for these systems. These upgrades will represent a crucial investment needed to manage these programs in an efficient fashion.

- ❖ **Computer Hardware.** Additional funding received in the fiscal 2000 appropriation will enable the Corporation to replace some of its aging computer hardware, which was either inherited from the ACTION agency in 1994 or purchased in the Corporation's first year of operations. These computers no longer function sufficiently and can no longer effectively support agency software.

Program Administration Initiatives for Fiscal 2001

- ❖ **Staffing and Compensation.** The Corporation has requested significant increases in its program funding for Volunteers in Service to America (VISTA) and National Senior Service Corps activities in this 2001 submission. While these programs have received increased funding in past years, the Corporation's limited Program Administration funding levels curtails its ability to fill badly needed staff positions, which serve to manage and monitor these program activities. The current request level will enable the Corporation to fully staff crucial support positions without sacrificing Program Administration funds provided by or requested of the Congress to improve financial management, systems and other administrative operations.

Request: \$22,347,000

- ❖ **Operating Expenses.** All items other than salaries and related costs that enable the Corporation to manage and monitor its programs and grants are paid for with operating expenses. Major items funded include building rent, contractual services, computers, systems development, and program monitoring travel. In order to manage increased workload and program resources with limited Program Administration funds, the Corporation is analyzing its business practices and re-engineering its work processes to streamline operations and make better use of information technology. Even if the Congress provides the additional funding requested for fiscal 2001, the Corporation will still have to make difficult cuts to both its baseline fiscal 2000 and 2001 operating costs in order to implement more critical initiatives with limited overall resources.

Request: \$9,036,000

- ❖ **Systems Development and Management.** The Corporation's fiscal 2001 request level will help fund systems development projects that complete the implementation of the core, Year 2000 compliant financial management system and the grants system. Whereas the fiscal 2000 funds will allow the Corporation to install Momentum software upgrades, there are numerous subsystems that will need to be developed or upgraded in order for the agency's programs to work efficiently and to be fully integrated. The core grants system, for which analysis and development will begin in fiscal 2000, will ultimately include cross servicing with a single grants payment system, developing a program database, an electronic application system and a central rolodex for Corporation grantees.

The Corporation's core financial management system will need to be supplemented by several other sub-systems over the next few years. These systems include an accounts receivable subsystem and interface, a travel management system, a Bank of America interface, an OPAC interface, and an archive retrieval system to facilitate efficient accessing of the old financial management system's

records. Additional enhancements will be needed to manage cost share operations, expand the National Service Trust Fund investment and “FEDWIRE” payment subsystems, and a fixed asset subsystem. Implementing these subsystems and integrated databases not only will enhance general programming and management operations at the Corporation but also will create a consolidated repository of information from which the Corporation can draw data for its many exterior reporting requirements.

The Corporation is currently able to provide only one staff person for web-site management. The increased demand for information on Corporation programs and opportunities requires that additional resources be dedicated to web-site support. The Corporation plans 1) to make information on service opportunities available through the web; 2) to make available application forms and other documents through the web to individuals and grantees; and 3) to provide a repository for grantees of Corporation policies and procedures. Developing and maintaining this site will require additional staff and contractor support.

The Corporation is requesting partial funding for these systems development projects within each of the two NCSA and DVSA submissions. Funding levels the Congress ultimately provides between the two appropriations will determine which of these critical systems projects the Corporation will be able to implement over the next few years.

Request: \$2,000,000

- ❖ **Financial Management Systems and Program Staffing.** The Corporation's focus on addressing financial management, systems and administrative operations improvements requires additional staff in both the field and headquarters offices for data management, systems development, and training and technical assistance. To minimize the need for additional staff, the Corporation will make maximum use of technology. For example, the Corporation is encouraging AmeriCorps*VISTA members to receive compensation through electronic funds transfer. As more AmeriCorps*VISTA members select this option, the Corporation workload decreases and field staff can attend to other, higher priority tasks. Similar efficiencies will be achieved by transferring DVSA grantee payment processing to a single electronic payment system.

Request: \$717,000

Total Request: \$34,100,000

Summary of Changes: Increases over Fiscal 2000 Levels

Baseline salary increases	\$505,000
Baseline operating costs	-251,000
Systems Development and Management	2,000,000
Management and Field Office Staffing	717,000
Total	\$2,971,000

PERFORMANCE INDICATORS			
	Performance		
	Actual	Goals	
Performance Indicators for Program Administration	FY 1999	FY 2000	FY 2001
Audit opinion for fiscal year financial statements.	Unqualified balance sheet; disclaimer on others	Obtain an unqualified opinion	Obtain an unqualified opinion
Reduction in the number of material weaknesses identified in the financial statement audit (Baseline drawn from financial statement reports: eight material weaknesses reported)	Not applicable	Reduced by four	Reduce to zero
Operating status of a single, grants management program that provides stewardship over federal funds in a cost-effective manner.	Started planning phase	System Analysis and Project Development initiated by 9/00	Core Modules Operational; Additional Modules in development
Operating status of a new financial management system ("Momentum").	Online 09/13/99	Access expanded to more Corporation disktops	Subsystem Implemented
Develop accounting subsystem in Momentum for procurement.	Not applicable	Start Procurement	Complete Procurement
Y2K status of mission-critical systems.	Not applicable	Systems Y2K Compliant	n.a.
Transfer DVSA grantees to single electronic payment system.	Not applicable	Plan	Implement

Budget Activity 3:

INNOVATION, DEMONSTRATION, AND ASSISTANCE ACTIVITIES

SUMMARY OF BUDGET ESTIMATES				
	FY 1999 Actual	FY 2000 Estimate	FY 2001 Request	Increase/ Decrease
(dollars in thousands)				
Innovative programs and other assistance	\$19,933	\$13,643	\$24,400	+\$10,757
Training and technical assistance	14,800	13,550	10,989	-2,561
Recruitment	3,000	2,700	3,000	+300
Grants to foster participation in national service of programs targeting individuals with disabilities	3,100	6,074	4,111	-1,963
Total Obligations	40,833	35,967	42,500	+6,533
Carry-over from prior year	-19,800	-7,467	---	+7,467
Carry-over to next year	+7,467	---	---	---
Current Year Budget Authority	\$28,500	\$28,500	\$42,500	+\$14,000

Background Information on Innovation, Demonstration, and Assistance Activities

The goals of the Innovation, Demonstration, and Assistance activities are to:

- Build the ethic of service among Americans of all ages and backgrounds.
- Support innovative demonstration service programs that may not be eligible under other subtitles of the legislation.
- Provide training, leadership development, and technical support to grantees and service programs receiving assistance under the Act.
- Build a strong infrastructure at the local and state levels to support and provide technical assistance to programs.
- Foster program effectiveness leading to high quality programs and real community impact.
- Assist programs enrolling participants with disabilities and accommodating their participation.
- Support disaster relief efforts.

Findings from Independent Program Evaluation Studies

AmeriCorps grantees give high ratings to training and technical assistance from the Corporation. In a 1998 survey of AmeriCorps grantees, 94.1 percent reported that the quality of service received from the Corporation's training and technical assistance providers was either good or very good. In addition, grantees ranked training and technical assistance second among nine Corporation activities that support local programs' goals. They ranked providing feedback and information first. (MACRO International Inc. *1998 Customer Satisfaction Survey: Analytic Report*. July 1999.)

The Corporation's literacy programs have significant impacts on reading scores and abilities. While the Corporation does not have sufficient funds to conduct large-scale, nationwide, impact evaluation research on reading outcomes, several studies of specific programs document the significant results that national service participants have on reading levels.

- In the District of Columbia, Federal Work Study students from local universities and some community volunteers supported by AmeriCorps*VISTA members tutored low achieving children. The children participating in the tutorials improved reading scores to the national average at the end of the first year of the program. The independent evaluator also found that the second year of the program tutored students achieved dramatic gains in phonemic awareness, a critical skill for reading. Tutoring also raised scores on standardized achievement tests beyond what is considered significant gains. The tutored children raised scores twice as much as non-tutored students. (Macro International. *DC Reads Evaluation: Year One*. 1999. Macro International. *DC Reads Evaluation: Year Two*. 2000.)
- A University of Texas researcher documented gains for a Reading One-to-One program of 0.4 to 0.7 grade equivalents above what students would have attained without tutoring. This significant improvement will help assure that these children become literate. The program uses college students, AmeriCorps members, and community residents to tutor more than 6,000 students in more than 70 schools across ten school districts. (Farkas, George, "Reading One-to-One: An Intensive Program Serving A Great Many Students While Still Achieving Large Effects," in *Social Programs That Work*, 1998)
- A 1997 study of the Summer Reads program implemented by AmeriCorps*VISTA noted the following:

"The vast majority of tutors completing a questionnaire (94%) agreed or strongly agreed that the children they worked with had improved their reading skills as a result of participating in the Summer Reads program. Similarly, most students completing a questionnaire (70%) believed that their reading skills had improved and that at least some of the improvement could be attributed to working with a tutor."
- An independent analysis of 1996/97 AmeriCorps tutoring outcomes, which examined project reports and program generated evaluation materials, noted (Aguirre International. *An Analysis of 1996/1997 AmeriCorps Tutoring Outcomes*. 1998):

"...programs are using measures [evaluation] that are appropriate for the individuals they are serving and the type of tutoring they are providing."

"...tutoring programs investigated in this study reported positive changes for the students who receive tutoring."

- A descriptive study of AmeriCorps literacy programs across the nation found that most tutoring programs in which AmeriCorps members serve incorporate some of the structural and instructional features perceived by educators and researchers as important for positive reading outcomes. (Abt Associates. *Descriptive Study of AmeriCorps Literacy Programs*. 2000.) An outcome study of all these programs is underway.

Accomplishments in Fiscal 1999

Subtitle H of the National and Community Service Act authorizes a wide range of activities that help to build the ethic of service among Americans of all ages and backgrounds. The majority of funds supported innovative and demonstration programs that serve this goal, as well as training and technical assistance activities.

Innovative and other Subtitle H programs

Under this category, the Corporation funded and carried out:

- The AmeriCorps Leaders program, which enables talented alumnae of AmeriCorps to serve as front-line leaders in programs enrolling AmeriCorps members.
- Grants to organizations to administer Education Awards grants. This enables organizations to provide education awards to AmeriCorps members they support. This reduces the overall cost to the Corporation of funding AmeriCorps members and meets the President's commitment at the Summit to support new AmeriCorps members. Furthermore, education awards help achieve the cost per member targets in the agreement reached with Senator Grassley and other members of the Congress. We provide grants supporting more than 13,000 full- and part-time members under this program with fiscal 1999 funds.
- The second year of the National Service Fellowships program which brings together a team of individual researchers who work to strengthen national service through continuous learning, exploration of program models, the development of strong networks, and professional growth.
- Support for a significant portion of the Corporation's literacy activities, including a major literacy initiative in the District of Columbia. These funds include a part of America Reads funding designated by Congress.
- The first year of the AmeriCorps Promise Fellowships. The Corporation used approximately \$6.1 million to award grants to state commissions, Indian tribes, U.S. territories and national nonprofit organizations for AmeriCorps Promise Fellowships to help implement programs in support of the five goals for children and youth set at the Presidents' Summit for America's Future. These grants, in the aggregate, supported 530 fellowships. Fellows spent one year serving with organizations that are committed to helping meet one or more of the five goals of the Presidents' Summit. In addition, each Fellow completing service will receive the AmeriCorps education award of \$4,725.

As background, in 1997 at Philadelphia, President Clinton, former Presidents Bush, Carter, and Ford, Mrs. Nancy Reagan, and General Colin Powell, with the endorsement of many governors, mayors, and leaders of the independent sector, declared: “We have a special obligation to America’s children to see that all young Americans have:

- Caring adults in their lives, as parents, mentors, tutors, coaches;
- Safe places with structured activities in which to learn and grow;
- A healthy start and healthy future;
- An effective education that equips them with marketable skills; and
- An opportunity to give back to their communities through their own service.”

These five goals are now the five fundamental resources sought by America’s Promise – The Alliance for Youth, the organization following up on the goals of the Presidents’ Summit. A separate request for funding for this organization is included in the 2001 budget and appears elsewhere in this justification under Budget Activity 9: America’s Promise.

As a major partner in this effort, the Corporation devotes a substantial part of its activities to help meet these goals, including the work of AmeriCorps, Learn and Serve America, and the National Senior Service Corps. This new Fellows program, initiated in 1999, will provide States and local communities with additional and unique support to help carry out their plans to provide America’s children with these five fundamental resources.

- The launching of the President’s Student Service Challenge. This nationwide recognition effort supports the accomplishment of Goal 5 of the Presidents’ Summit, encouraging two million additional young people by the year 2000 to provide service through high quality service opportunities. The President’s Student Service Challenge consists of two programs: President’s Student Service Scholarships and the President’s Student Service Awards.

Fiscal year 1999 was the third year of the President’s Student Service Scholarships (originally called the National Service Scholars). Under this program exemplary juniors or seniors in high schools across the country may receive a \$1,000 scholarship for outstanding service. The Corporation provides one-half of the scholarship. Local funding from schools, businesses, nonprofit organizations, or civic groups provides one-half. Supporters in prior years have included the Elks, Lions, Boys and Girls Clubs, Kiwanis, Moose Rotary, PTAs, the Links, Dollars for Scholars, and the Miss America Organization. In addition, the Corporation may enter into arrangements with national organizations providing matching scholarships for outstanding service by school-aged youth.

While the scholarship funds for this program are paid from the National Service Trust, the costs of publicizing and overseeing the program is covered under this activity. The Corporation awarded 3,164 scholarships in fiscal 1999.

The President’s Student Service Awards recognize youth that contribute at least 100 hours of service to local communities. Students are certified by their school, their college, or a community organization and receive pins and other forms of recognition for their service. This program is supported with non-Corporation funds through nominal fees paid by certifying schools, colleges, and community organizations. By the end of the fiscal year, over 13,000 individuals across the country received awards.

- The awarding of grants to nonprofit organizations to support service in honor of Dr. Martin Luther King, Jr. This initiative is specifically authorized under the National and Community Service Act. Martin Luther King, Jr., service events were the largest and most effective in the history of the

Corporation, as individuals and public and private organizations commemorated his legacy by assisting those in need. A private company, Best Buy, supplemented the Corporation's grant funds for this purpose.

Training and Technical Assistance

In fiscal 1999 the Corporation continued to provide Training and Technical Assistance (T/TA) services to strengthen the quality of Corporation-funded programs. To this end:

- In fiscal 1999 the Corporation provided approximately \$6 million to state commissions for use in providing T/TA services to Corporation-funded programs. Commissions emphasized cross-stream training, involving multiple partners and programs in the design and delivery of the training.
- Training and Technical Assistance services were also offered by National T/TA providers. The providers offered assistance to programs in the areas of sustainability, organization development, member development and management, financial management, training materials, development supervisory skills training, and in other areas identified by programs through needs assessment. In addition, special assistance was made available during the year to provide T/TA services to Corporation-funded programs involved in the literacy initiative. National providers provided hands-on training and support to local programs that are working toward the goal of ensuring that all children read well and independently by the end of the third grade.
- T/TA services included a National Service Resource Center that is responsible for compiling, storing and disseminating Training and Technical Assistance (T/TA) materials produced by the Corporation and other T/TA providers. Rather than developing materials, the Resource Center works to ensure that State Commissions and AmeriCorps grantees have rapid access to T/TA informational resources developed by other T/TA providers as well as by AmeriCorps grantees themselves.

Recruitment and Building the Ethic of Service

- In fiscal 1999, the Corporation's Recruitment Unit operated for a full-year as a combined unit, including the member selection and placement offices of AmeriCorps*VISTA and AmeriCorps*National Civilian Community Corps. The recruitment portion of the new unit attained the goal of helping to provide over 45,000 AmeriCorps members to programs across the country.
- Funds supported a toll-free fulfillment contract, an advertisement placement and event registration contract, a national referral and applicant database, a network of recruitment stewards including former AmeriCorps members serving as AmeriCorps college campus representatives, and staffing resources within the Corporation involving a greater field presence and fewer headquarters personnel.
- The Corporation partnered with public and non-profit organizations to outreach to targeted populations who can benefit from and contribute to national service.
- In addition, the Corporation Recruitment Unit processed and placed national applicants for AmeriCorps*VISTA and AmeriCorps*National Civilian Community Corps.
- The Corporation conducted and coordinated various special events to help train the national service field and to encourage the ethic of service among all Americans. These events were done frequently in partnership with major national organizations, including America's Promise and the Points of Light Foundation.

Disability grants

- In fiscal 1999, the Corporation allocated the mandatory one percent set-aside from its fiscal 1999 appropriation to foster the placement of individuals with disabilities in national service. The Corporation technical assistance grant to the United Cerebral Palsy Association assessed programs' future needs in setting up systems to recruit and retain AmeriCorps members with disabilities and to administer reasonable accommodation funds. In 1998 and 1999 the Association worked with State Commissions and National Direct programs eligible to receive reasonable accommodation funds. In addition, the Corporation disseminated the results of the disability demonstration technical assistance grants to Commissions and National Direct programs. This provided programs with various recruitment and retention models.
- A reauthorization proposal is intended to provide for greater flexibility in the use of disability funds to accomplish the goal of involving more people with disabilities in national service programs.

Disaster programs

- The Corporation entered into and implemented a new Memorandum of Understanding with FEMA to strengthen the assistance of national service participants in disaster response. The Corporation worked with several states to demonstrate mechanisms to connect Corporation programs to the state's disaster response plan. These demonstrations included activities that put plans, systems, and partnerships in place to respond to disasters.
- The Corporation's disaster relief activities expanded greatly in fiscal 1998 and this expansion continued in fiscal 1999. In particular, the AmeriCorps*NCCC program focused activities on disaster relief (see separate justification).
- The Corporation does not allocate funds for grants under the Disaster program because FEMA reimburses service programs for the costs they incur in responding to disasters. Funds are allocated for disaster training for participants and volunteers.

Innovation, Demonstration, and Assistance Initiatives for Fiscal 2000

Innovative Programs

Funds available for innovative programs are used to award grants for high-quality demonstration programs and Education Award grants, to continue promotion of the service ethic among all Americans, and to allow the Corporation to respond to emerging priority issues. Particular attention will be paid to supporting community service efforts linked to priorities established by governors to meet the emerging needs of their states; to Corporation and governor objectives related to the Presidents' Summit on America's Future and to partnerships with the Department of Education related to literacy.

- AmeriCorps Promise Fellows will continue for a second year. The program is anticipated to support about 500 Fellows. These Fellows will serve in 45 states through 67 grantees, including state commissions, Indian tribes, and nonprofit organizations.
- The Education Award program will continue. Funds under this activity are used to provide program support grants at a fixed price per AmeriCorps member, with the upper ceiling being no more than \$500 per Member. This program will continue to be a centerpiece in the strategy to increase the size of the AmeriCorps program, which is anticipated to grow to be about 50,000 members in the year

2000. In addition, the Education Award program will enable the Corporation to meet its cost per member commitment made to the Congress.

- The Corporation will continue the Leaders Schools at the high school level and expand the program to middle schools.
- The following activities will continue at levels roughly equivalent to those in fiscal 1999: AmeriCorps Leaders; National Service Fellowships (approximately 13); activities related to program goals and objectives from the Presidents' Summit on America's Future; literacy initiatives, including a major literacy initiative in the District of Columbia; service projects in commemoration of Martin Luther King Day and other signature service days; forums to bring together program directors, volunteers, and issue-area experts to identify ways to make service a more effective tool to get things done; and additional strategies to improve the quality of service performed.

Training and Technical Assistance

The future of national service depends to a large extent on the skills and competencies of those who direct local programs and projects across the country. In accordance with the Corporation's strategic plan, the agency will continue to offer training opportunities for staff of Corporation-funded programs and to work with state and regional program staff to incorporate specific nationally developed curricula into locally-sponsored training events. Specific training and technical assistance initiatives include:

- The Corporation will offer regional, state of the art training to local program and project directors across the country. The training will focus on building collaborations and effecting change. The Corporation will be working in partnership with State Commissions to make leadership training more accessible to potential participants.
- The Corporation will develop train-the-trainer programs to build in-house training capacity and reduce dependence on outside contractors.
- In addition, the Corporation will provide opportunities for technology training and technical assistance to State Commissions and Project Directors to increase their utilization of electronic communication media to transmit data to the Corporation, especially the National Service Trust data. This training will facilitate the transmission of data through a Web-Based Reporting System, which will improve the quality of the data submitted by national service programs and State Commissions.
- In fiscal 2000, the Corporation will continue to provide effective T/TA services to strengthen the quality of all Corporation-funded programs. To this end, in fiscal 2000, the Corporation is using a portion of the funds to allow state commissions to address leadership development, training and technical assistance needs of their national service programs through direct support. At the same time, the Corporation will reduce the amount spent on the services of national T/TA providers.
- During fiscal 2000, we will re-compete cooperative agreements for five, national T/TA providers and evaluate the performance of national T/TA providers. A significantly reduced number of national T/TA providers will offer assistance to programs in the areas identified by grantees through a national T/TA needs assessment completed in fiscal 1999.
- Funding will be made available for expert services to strengthen the efforts of local programs to improve literacy and tutoring initiatives within their communities. Highly qualified experts will assist State Commissions and local programs with hands-on training and support to those community

programs that are working toward the goal of ensuring that all children read well and independently by the end of the third grade.

Recruitment and Building the Ethic of Service

In fiscal 2000, the Recruitment, Selection and Placement Unit will continue to attain a sufficient pool of applicants for the targeted number of members requested by AmeriCorps grantees. In addition, the Unit will fully process and place national applicants for AmeriCorps*VISTA and AmeriCorps*National Civilian Community Corps.

- The Unit will continue to develop and implement innovative and cost-effective recruitment strategies, such as use of the Internet, toll-free fulfillment contract, community and college advertising, an increased number of school and community presentations, population specific materials (e.g. high school brochures vs. college level brochures), and partnerships with non-profit organizations in order to better recruit the populations targeted by AmeriCorps programs.
- The Corporation will assess its revised recruitment structure, which will have operated for a full year beginning in fiscal 1999, and make whatever improvements are required.
- The Corporation also will conduct and coordinate various special events to help train the national service field and to encourage the ethic of service among all Americans. These events were frequently done in partnership with major national organizations, including America's Promise and the Points of Light Foundation.

Disability grants

- In fiscal 2000, a larger portion of the appropriation will be allocated for outreach and technical assistance to all national service programs.
- The Corporation will be implementing a series of recommendations made at a conference on disability issues sponsored by the Corporation in the summer of 1998. A follow-up conference on disability scheduled for January 2000 will further develop and refine the Corporation's response to disability issues. A primary goal of the 2000 conference is to include significant representation from the disability community and introduce them to national service.
- As recommended in a disability project conducted by a national service fellow, a major training effort will occur to make project directors aware of opportunities and resources available to enable more people with disabilities to serve.

Disaster grants

The Corporation's programs, especially the AmeriCorps*National Civilian Community Corps, will continue to place a high priority on supporting disaster relief activities. No grants will be issued directly for this activity.

Innovation, Demonstration, and Assistance Initiatives for Fiscal 2001

The budget request for fiscal 2001 is \$42.5 million. The following describes the major components of this request.

Innovative Programs and Other Assistance (\$24,400,000)

- ❖ **Continuing Service.** The President's budget includes \$5 million to create an AmeriCorps reserves program that will enable former AmeriCorps members to re-engage in service to their communities, particularly in times of crisis. This pilot program would be modeled on the military reserves: former AmeriCorps members would serve in the Reserve Corps on weekends or after work, and would address national crises, including natural disasters. The Reserves will build on the AmeriCorps Continuing Service initiative, which connects AmeriCorps alumni to community service projects through a partnership with national non-profit organizations. These partners include such organizations as the American Red Cross, the Boys and Girls Club, Big Brothers/Big Sisters, Habitat for Humanity, the National Mentoring Partnership, and the YMCA.

Request: \$5,000,000

- ❖ **AmeriCorps*Promise Fellows.** The Corporation will fund a fourth year of the AmeriCorps Promise Fellows Program. Approximately 1,000 fellows will spend one year serving with organizations that are committed to help meet one or more of the five goals of the Presidents' Summit. In addition, each Fellow completing service will receive the \$4,725 AmeriCorps Education Award.

❖ Request: \$11,800,000

- ❖ **Education Awards Program.** In fiscal 2001, this program will increase to about 15,000 members as part of the overall plan to reach 100,000 AmeriCorps members by 2004. About 12,000 full-time equivalent members will be supported at \$500 per member.

❖ Request: \$5,900,000

- ❖ **Leader Schools and the President's Student Service Awards.** The Corporation will continue the Leaders Schools at the middle and high school levels, and proposes to add a college program. In addition, support will be provided for the President's Student Service Scholarships, which are funded from the National Service Trust.

Request: \$1,000,000

- ❖ **Literacy, Martin Luther King, Jr. Day Grants, and Other Initiatives.** The Corporation will continue its important efforts in these areas, as described earlier.

Request: \$700,000

Total Request for Innovative Programs and Other Assistance: \$24,400,000

Training and Technical Assistance

- ❖ **Training and technical assistance.** The Corporation plans a variety of training and technical assistance activities in 2001.
 - Ensure directors of national service programs have the skills needed to effectively administer and manage federal funds. Training emphasis will be on financial oversight requirements for state and national grantees and sub-grantees as well as for state commissions.
 - Strengthen commissions and programs by providing training and technical assistance in several critical areas. They include: program management, member development, board development, strategic planning, multisite management, effective communication and public awareness, staff training, in-service training for members, working with diverse populations, and state commissions. In addition, T/TA services will be provided to strengthen Corporation-funded programs involved in the literacy initiative. T/TA services will also include a National Service Resource Center and a Service Learning Clearinghouse responsible for compiling, storing and retrieving Training and Technical Assistance (T/TA) materials produced by the Corporation and other T/TA providers as well as information on effective practices for electronic publication on the Corporation's Web site.
 - Provide state commissions and parent organizations of national direct programs with assistance on the Web-based Reporting System (WBRS) including technical enhancement and support, and management of WBRS services through fiscal 2001. WBRS, developed at the request of the state commissions, enhances the capacity of state commissions to systematically collect and use the data provided by programs about the services they provide and the members they enroll. The system enables commissions to automate fiscal monitoring of their programs and enrollment/exit of their AmeriCorps members.
 - The Corporation will continue to conduct and coordinate various special events to help train the national service field and to encourage the ethic of service among all Americans. These events will be done in partnership with major national organizations, including America's Promise and the Points of Light Foundation.

Request: \$10,989,000

Recruitment and Building the Ethic of Service

- ❖ **Recruitment of AmeriCorps members.** The 2001 budget proposes continuation of recruitment activities to accomplish the goal of 100,000 members by 2004. The 2000 budget is approximately \$2.7 million. The additional funds will support staffing and related costs associated with certain targeted recruitment efforts in areas not previously tapped by the Corporation. These funds will be fully integrated with amounts available for AmeriCorps*VISTA and AmeriCorps*NCCC to support a unified AmeriCorps recruitment effort that helps meet the needs of all programs across the country.

Request: \$3,000,000

Disability Programs

- ❖ **Set-Aside.** The Corporation's one percent set-aside for disability programs will support expanded outreach projects, including projects in service-learning and senior corps programs.

Request: \$4,111,000

Disaster Relief

- ❖ The Corporation will continue its disaster relief efforts, with funds provided through agreements with the Federal Emergency Management Agency.

Request: \$0

Total Request: \$42,500,000

Summary of Changes: Increases over Fiscal 2000 Levels

Continuing service initiative	\$5,000,000
Increasing the AmeriCorps*Promise Fellows program from 500 to 1,000 members	6,000,000
Increasing disability, recruitment, scholarships, and other activities	2,000,000
Increasing the AmeriCorps Education Award program by 2,000 full-time equivalent members	1,000,000
Total	\$14,000,000

PERFORMANCE INDICATORS				
	Performance			
	Actual	Goals		
Performance Indicators for Innovation, Demonstration, and Assistance Activities	FY 1999	FY 2000	FY 2001	Increase/Decrease
Number of Leader Schools selected (also listed under Budget Activity 6 – Learn and Serve America).	70	270	450	+180
Number of colleges and universities participating in America Reads.	1,228	1,250	3,000	+1,750
Number of high school students receiving Presidential Service Scholarships.	3,164	10,000	15,000	+5,000
Number of Promise Fellowships awarded.	527	500	1,000	+500

Pending and Planned Program Evaluation Studies to Set Baselines for Additional Performance Indicators	Status of Research
<i>National and Community Leadership Opinion Survey</i> <ul style="list-style-type: none"> Percent of national leaders surveyed reporting that service is a very important tool in solving national problems. Percent of civic and community leaders and elected officials including “national service” when asked to identify important sources of community strengthening and effective citizen engagement in their communities. 	Planned surveys every three years, beginning fiscal 1999
<i>Community Impact Surveys</i> <ul style="list-style-type: none"> Percent of community representatives with direct and informed knowledge of service activities rating Corporation programs as highly successful in meeting critical community needs. 	Planned annual surveys beginning in fiscal 1999

Budget Activity 4:

EVALUATION

SUMMARY OF BUDGET ESTIMATES				
	FY 1999 Actual	FY 2000 Estimate	FY 2001 Request	Increase/ Decrease
(dollars in thousands)				
Total Obligations	\$7,126	\$7,156	\$5,000	-\$2,156
Carryover from prior year	-4,282	-2,156	---	+2,156
Carryover to next year	+2,156	---	---	---
Lapsed	---	---	---	---
Current year budget authority	\$5,000	\$5,000	\$5,000	--

Background Information on Evaluation

The Corporation conducts or contracts for evaluations of its programs, conducting 30-40 studies each year on a range of issues. The National and Community Service Act mandates several evaluation studies. Some studies are an important part of the Corporation's compliance with the Government Performance and Results Act (GPRA). Other research derives from the Corporation's Strategic Plan. In general, the evaluation effort in the Corporation is a major part of the effort to enhance program performance and collect data addressing critical program issues.

In addition, as part of the Corporation's technical assistance function, grantees receive assistance in conducting local, outcome-based, program evaluations and program improvement studies. For example, the Corporation is developing a web-based system for the dissemination of effective program practices, using the Corporation's existing website. The site will become operational during fiscal 2000. Department of Evaluation and Effective Practices staff participated in the development of the Corporation's Web-Based Reporting System for State Commissions and AmeriCorps*State and National programs. Evaluation staff provide guidance to program offices on evaluation-related matters and to senior management on policy matters related to evaluation research findings and their implications. Evaluation staff review grant proposals with respect to evaluation-related contents and represents the Corporation on evaluation issues in the Corporation's stakeholder community. Evaluation staff provide consultative services to State Commissions and other grantees on research and evaluation issues. Finally, evaluation activities include supervising the collection of basic profile information from approximately 50,000 individuals serving in nearly 1,300 AmeriCorps-affiliated service programs.

Accomplishments in Fiscal 1999

- (a) Program Evaluation Activity. In fiscal 1999, the Corporation completed 31 evaluation studies and research projects. Ten multi-year evaluations begun in previous years will continue into 2000, while 21 new evaluations were begun.
- (b) Grantee Technical Assistance. The Corporation continued to ensure that all programs have outcome-based objectives and have systems in place for tracking progress toward those objectives. An evaluation training and technical assistance provider is making services available to grantees and programs. The Corporation is establishing a Web-based, effective practices dissemination system to provide service organizations with up-to-date information on program and evaluation practices with demonstrated evidence of effectiveness.
- (c) Outcome Evaluations. Most outcome evaluation conducted by the Corporation directly fulfills commitments made in our Strategic and Performance Plans. For example, to determine the extent of services that our grantees are providing to communities, an Annual Accomplishment Survey is being implemented for all programs. A multi-year study of a wide range of outcomes of AmeriCorps*State/National programs was completed in fiscal 1999. Two studies of Corporation tutoring programs have focused on the extent to which there are measurable student outcomes in reading ability and related indicators from tutoring by AmeriCorps programs. We started several other outcome-focused studies of various aspects of service programs, including an assessment of the independent living outcomes resulting from Senior Companion projects. The first phase of an impact evaluation of AmeriCorps*National Civilian Community Corps is complete and a second phase of data collection is being developed. Finally, a program of research to study the longitudinal outcomes of national service on participants is well underway.
- (d) GPRA. Directly related to GPRA, the Corporation has implemented customer satisfaction surveys for all programs. These surveys include studies of satisfaction among direct customers of the Corporation such as grantees. We are also surveying community representatives leaders whose neighborhoods receive service benefits from Corporation-funded programs and national opinion leaders.
- (e) State Administrative Standards. In fiscal 1999, the Corporation began the State Administrative Standards project. The purpose of the State Administrative Standards is to ensure that the state commissions have proper management systems in place and that the Corporation has an effective tool for assessing those systems. A pilot phase assessed six state commissions against draft administrative standards. First, the Standards reflect federal requirements for commission performance. Second, the Standards compare state commission performance to those practices and policies that enable a commission and staff to provide statewide service leadership, administer their legal and fiscal responsibilities, and monitor and help strengthen their programs. The Standards will allow the Corporation to apply consistent criteria to the assessment of state commission operations and to make well-informed decisions about funding. The Standards will enable commissions to pinpoint and diagnose their technical assistance needs. Once needs are clearly defined, commissions will be able to improve their administrative systems, creating reliable infrastructure for the future of national service.

Evaluation Initiatives for Fiscal 2000

- ❖ **Government Performance and Results Act.** As program and management units throughout the agency begin measuring progress toward their performance goals in fiscal 1999 and fiscal 2000, the need for evaluation research will increase. The Corporation will use evaluation resources to help assess the extent to which the agency is meeting the targets set in the annual performance plans. Funds to support these efforts will be moved from other evaluation activities.
- ❖ **Literacy.** As the Corporation's support for literacy programs expands, we must concomitantly expand efforts to assess the extent to which the funded efforts achieve their mission. The large, rigorous outcome evaluation of tutoring programs now underway should provide valuable programmatic guidance on our tutoring efforts. In addition, the Corporation is increasing its efforts to provide individual America Reads projects with information and tools to assess the performance of their own efforts to help increase the gains of those tutored.
- ❖ **Grantee Technical Assistance.** The Corporation will develop further systems to assist states in tracking progress by their programs toward outcome-based objectives and to develop their capacity to conduct or contract for state-based evaluation. Our cooperative agreement for technical assistance in evaluation will be re-competed early in fiscal 2000. In addition, we will begin using its technical staff to provide direct, technical assistance on evaluation to grantees.
- ❖ **Impact Evaluations.** Most grantees will receive either an Annual or a Bi-Annual Accomplishment Survey. Studies required to assess the Corporation's attainment of its Results Act goals will continue. Data collection will be ongoing in:
 - the longitudinal study of the impacts of national service on participants;
 - the study of independent living outcomes for seniors served by the Senior Companion Program and;
 - the evaluation of reading outcomes for students tutored through national service.

The Corporation will expand the longitudinal research efforts to include communities and participants in service-learning activities if sufficient financial support can be found.
- ❖ **Outcome Indicators.** In response to a recommendation from the General Accounting Office, we will review all completed and pending impact evaluations to identify performance indicators that can be added to our performance measurement system. In this review, we will be analyzing the applicability of possible indicators on several dimensions, including: relationship to the strategic plan, possible links to budgetary decisions, usefulness to program managers, cost of data collection, and burden to the public.
- ❖ **State Administrative Standards.** During calendar 2000, the State Administrative Standards project will complete assessments on 12 state commissions. As commissions identify their technical assistance needs, the Corporation will provide the resources for commissions to bring their operations into compliance with the Standards.

Evaluation Initiatives for Fiscal 2001

- ❖ **Continuing Support for Performance-Related and Results Act Studies.** As described above, the Corporation supports a variety of studies and activities designed to track the performance of our programs and to provide customer feedback. Those activities include customer satisfaction surveys, and accomplishments tracking.

Request: \$1,104,100

- ❖ **Continued Support for On-going Research.** The long-term studies mentioned above, as well as those multi-year studies to begin in fiscal 2000, will absorb a significant proportion of the evaluation budget in fiscal 2001. At the direction of the Corporation's Board of Directors, we are seeking non-governmental assistance to support a part of the longitudinal member study. The amount of long-term Corporation support will be based on the results of this effort. In addition, the Senior Companion National Civilian Community Corps, and Reading Outcomes studies will require continuing support in fiscal 2001. We will also continue to support technical assistance efforts in program evaluation.

Request: \$2,600,000

- ❖ **Support for New and Postponed Studies.** The costs of research related to the Results Act and the longitudinal outcome studies described above have placed significant pressure on the evaluation budget, and we anticipate only limited funds will be available to begin new research in fiscal 2001. Some new work will be studies originally scheduled to begin in fiscal 1999 and fiscal 2000, but for which there was insufficient funding. Several studies of service-learning and research on community outcomes of national service are in this category.

Request: \$750,000

- ❖ **State Administrative Standards.** During fiscal 2001, the State Administrative Standards project will complete assessments on 16 state commissions. The Corporation will provide technical assistance to help all commissions meet or exceed the State Administrative Standards. We will study data from the assessments to determine trends in technical assistance and training needs for state commissions.

Request: \$545,900

Total Request for Fiscal 2001: \$5,000,000

PERFORMANCE INDICATORS				
Performance Indicators for Evaluation	Performance			Increase/ Decrease
	Actual	Goals		
	FY 1999	FY 2000	FY 2001	
Number of evaluation studies and research projects initiated.	21	35	30	-5
Number of evaluation studies and research projects completed.	31	40	35	-5
Identify additional outcome indicators for performance measurement system.	n.a.	Review completed by 7/00	Add new indicators to performance plan by 10/00	n.a.
Percent of Corporation Grantees (Commissions and State Education Agencies) and State Offices receiving evaluation technical assistance.	Not yet available	52%	60%	+8%
Number of State Commissions reviewed for compliance with the national state commission administrative standards. ¹	6	12	16	+4

¹ The review schedule is based the calendar year. Six reviews were completed in calendar 1999. Twelve and sixteen will be done in calendar 2000 and 2001 respectively.

Budget Activity 1:

NATIONAL SERVICE TRUST

SUMMARY OF BUDGET ESTIMATES				
	FY 1999 Actual	FY 2000 Estimate*	FY 2001 Request	Increase/ Decrease
(dollars in thousands)				

Current year budget authority	\$70,000	\$69,395	\$79,600	\$10,205
Deposits to the National Service Trust	\$70,000	\$69,395	\$79,600	\$10,205

In addition to these amounts, in the fiscal 2000 appropriations, Congress rescinded \$80 million from amounts previously made available to the National Service Trust.

Background Information on the National Service Trust

The National Service Trust provides a secure repository for education awards earned by eligible participants who successfully complete a term of service in AmeriCorps. Funds are appropriated in the Operating Expenses account and are transferred into the Trust, an account in the Treasury. In addition to appropriated amounts, the Trust consists of interest on and proceeds from the sale or redemption of any obligations held by the Trust.

The value of an education award depends on the length of service provided. Completion of a full time term of service, currently requiring a minimum of 1,700 hours of service, entitles an AmeriCorps member to an education award of \$4,725. Completion of a part-time term of service, requiring a minimum of 900 hours of service, entitles an AmeriCorps member to an education award of \$2,362.50.

The participant can use the education award to:

- (1) Repay qualified student loans;
- (2) Pay all or part of the cost of attendance at a qualified institution of higher education; or
- (3) Pay expenses incurred in participating in an approved school-to-work program.

Education awards earned by AmeriCorps members are generally available for seven years from the end of the service. The National Service Trust makes payments directly to the qualified education institutions and the loan holders as directed by the members and by the institutions.

In addition to the education award, funds in the Trust can be used to pay for interest accrued on qualified student loans that were placed in forbearance while participants performed service.

The amounts requested in fiscal 2001 will permit the Corporation, primarily through its grant mechanism, to offer education awards to an estimated 59,000 AmeriCorps members. In addition to AmeriCorps members enrolled in the Trust, there will be over 3,000 participants in AmeriCorps*VISTA, who will

receive a cash stipend, paid for with AmeriCorps*VISTA program funds. The 62,000 participants is an increase of 12,000 over the 50,000 expected as a result of the appropriation for fiscal 2000. The increase is an important step in reaching the President's goal of having 100,000 AmeriCorps members serving by fiscal 2004. Expenses for administering this Trust are included in Budget Activity 7.

In fiscal 1997, the Corporation initiated education award grants to sponsoring organizations. In this program, the Corporation provides the education award from the Trust and a small portion of the administrative expenses of the grantees from Innovation, while non-federal sources assume other costs including the participants' stipends and living allowances. This program is discussed in the Budget Activity 2.

The fiscal 1998 and fiscal 1999 VA/HUD appropriations bills contained language authorizing up to \$5 million from the Trust for the President's Student Service Scholarship Program. This program provides scholarships to high school students who have performed outstanding service to their communities during their high school years. Exemplary juniors or seniors in high schools across the country may receive a \$1,000 scholarship for outstanding service. The Corporation provides one-half of the scholarship. Local funding from schools, businesses, nonprofit organizations, or civic groups provides the other half. This award is becoming the premier mechanism for recognizing service by young people. Fiscal 2000 will be the fourth year of the program. In fiscal 1998 and fiscal 1999, \$1.2 million and \$1.5 million respectively were expended for this purpose. An estimated \$5 million in fiscal 2000 will be used for this purpose. The Corporation requests authority to use \$7.5 million for fiscal 2001. This will permit these scholarships to be provided to more than half of the high schools in the United States. Learn and Serve America administers the program within the Corporation.

Accomplishments in Fiscal 1999

Because of the grants cycle, most AmeriCorps service takes place in the year or years after the funds are appropriated. The fiscal 1999 appropriation will permit the enrollment of 47,000 AmeriCorps members in the National Service Trust. The AmeriCorps members who have earned over 100,000 education awards used approximately \$56 million of the amounts earned during the year. In addition, \$1.5 million was provided for the President's Student Service Scholarship Program.

National Service Trust Initiatives for Fiscal 2000

- ❖ **Expansion of the President's Student Service Scholarship Program.** In fiscal 1998, the Corporation, using its demonstration authority, made \$1,000 college scholarships available to high schools throughout the United States. This scholarship went to the students who provided the most outstanding service during the high school year. To fund each scholarship, a local community source must match \$500 provided by the Corporation, so that the student receives the full \$1,000 scholarship. The fiscal 1998 and 1999 appropriation bills permitted the use of up to \$5,000,000 of Trust money for these scholarships. The Corporation expects to use \$5,000,000 for this program in the year 2000, which will fund such scholarships in 10,000 high schools.
- ❖ **Slight Increase in the Number of AmeriCorps Members.** The fiscal 2000 appropriation will permit only a slight increase in the number of AmeriCorps enrollments in program year 2000.

National Service Trust Initiatives for Fiscal 2001

- ❖ **Education Awards for AmeriCorps participants.** An estimated 59,000 AmeriCorps participants in fiscal 2001 will be enrolled in the Trust. Of the \$79.6 million requested for the Trust, \$72.1 million will be general support for education awards and the payment of accrued interest. This will permit a rational funding stream for the Trust as the Corporation moves toward the President's goal of having 100,000 AmeriCorps members supported by fiscal 2004 funding.

Request: \$72,100,000

- ❖ **President's Student Service Scholarship Program.** The Corporation will continue to seek more organizations to match the available federal funding for this program. The Corporation expects more than half of the high schools in the country to be able to provide these scholarships.

Request: \$7,500,000

Total Request: \$79,600,000

PERFORMANCE INDICATORS				
Performance Indicators for the National Service Trust	Actual Performance		Goals	
	Program Year	Program Year	Program Year	Program Year
	1998	1999	2000	2001
Number of AmeriCorps members enrolling in the Trust.	38,321 ¹	47,000 ²	48,000	59,000
Percent of AmeriCorps members who successfully complete a term of service and become eligible to receive an education award. ³	74.5%	75%	75%	75%
Number of high school students receiving a President's Student Service Scholarship.	2,475	3,164 ⁴	10,000	15,000

¹ These enrollments are for program year 1998, the most recent year for which we have complete data. Program year 1998 enrollments in AmeriCorps generally began in the fall of 1998 and ended during the summer of 1999. AmeriCorps*State and National enrollments were funded with fiscal 1998 appropriations. AmeriCorps*VISTA and AmeriCorps*NCCC enrollments are funded from appropriations for the year in which they are performing the service.

² Projected enrollments for program year 1999 began in the fall of 1999 and will end in the summer of 2000.

³ This indicator is defined as follows. For all members who complete service during a program year, divide the number of members who met the requirements for an education award by the total number of members who completed service. AmeriCorps*VISTA members not choosing to earn an education award are not included.

⁴ These are actual results. These scholarships were supported with fiscal 1999 appropriations and were awarded that same year.

Potential Outcomes for the National Service Trust from Pending and Planned Program Evaluations	Status of Research
<p><i>Longitudinal Research on National Service Participants</i>⁵</p> <ul style="list-style-type: none"> • Percent of former AmeriCorps members reporting that the education award was a significant help in paying off college loans. • Percent of former AmeriCorps members who report that the education award was a significant factor in their decision - and their ability - to attend college. 	Planned 3-5 year study, began in fiscal 1999

⁵ This evaluation will study numerous outcomes. These two listed here are given to illustrate the types of outcomes related to the education award that the study might produce.